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THOUSE TO THE OBJECT THE

CD NO.

25X1A

COUNTRY

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CONFIDENTIAL

DATE DISTR 8 Nev 50

SUBJECT

Recent Developments in the

Soviet Oil Administration (S.N)

25X1C

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SUPPLEMENT TO REPORT NO.

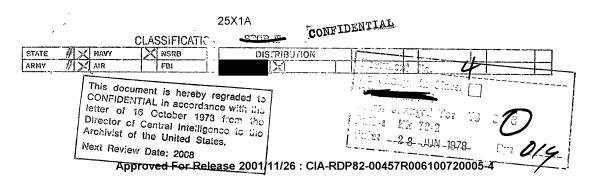
THIS DOCUMENT CONTAINS INFORMATION AFFECTIVE THE "ATHAR DEFENDED FOR OBSTRUCT STATES OF THE CLASSIFICATION THE CLASSIFICATION OF THE CONTAINS OF THE CLASSIFICATION OF THE CONTAINS OF THE CON Fallence SELFCLE DESTRUCTION ASSESSED

THIS IS UNEVALUATED INFORMATION

SOURCE

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- 1. Siderenko, Gene al Director of the any translation Flance from Moscow semetime during the latt part of August 100 lb he reperted that Siderenko went to Moscow to submi the SMV budget for the second six conths of 1950 and to request additional fund to clear second outstanding debts and we seem surrent purchases of seamless pine and other equipment from Bastern Germany.
- 2. Shortly after his return, Sidorado sellad anal of the Soviet officials and a few Austrian orthogoes of the Still to a comber of markings at SMY Headquarters. During these enderences Siderade addised his staff that Moscow had stopped allocating funds to the SMV and Unlike Advanced monthly that Moscow expects these Soviet enterprises a assume responsibility for chiminating their 400,000.000 achillings deficit. 2) Sidorenic factions about that Mascow had demanded that he institute the following scenomy acceptors:
 - a. Suspension of all perchasing of mon-essential materials and equipment uncoll Hareh 1951. Assemblial purchases are to be made a lely from USDF or USDF comprolled firms.
 - b. General reduction of Soft office personnel and a 20-percent layoff of billield abadf
 - c. Sale of all non-sessional equipment, s schola machinery, pine, and shoe to the highest bloder (3)
 - d. Collectin of all small ale acree metals by a USIA firm which is to ${f sell}$ this verap for send company, $(L_{f i})$
- Because SIV enterprises we not provided to maspy telivery of equipment until payment has been effected, a number of reliberal care loaded with 6 5/8-inch drill pipe, which was ordered some your ago from Fast German firms, are piling up at the Vienna railrent yards. (5)
- 4. Meanwhile the Soviets have ordered only collisted officials to prepare a report on the status of Zister worf and Ballon, oil wells, Masting them according to the following categoris (6)



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- a. Inactive wells; amount of piping installed in each well. (7)
- b. Hells where operating coses exceed the value of crude oil produced, i.e. those yielding loss than one ton per 24 hours. (8)
- $c_{\rm o}$. Wells producing more than one ton per $2\hbar$ hours. 25X1A
- 25X1A Comment: To the best of sur knowledge. Sidorenko is a new figure
 the SEW. It is possible that he is the successor to P.I. Chernomorsky,
 who was mentioned in the SEW General Director.
- 25X1A(2) Comment: This figure represents a caper deficit which has account say profit from netroleum experts to Eastern Germany and the satellite states. The SMV never receives total reimbursement for petroleum products shipped to Eastern Germany; sometimes no payment at all is resolved for these shipments. Normally the SMV receives commensation goods worth about three-fifths the value of/betroleum products which it delivers to Hungary and Czechnelovalcia. The balance i.e. the remaining two-fifths of this debt is paid in compensation goods snipped directly from the Satellites to the Soviet Union and testern Commeny. Although Moscow maintains that the SMV is operating at a loss, it has of necessity authorized the Soviet Military Bank to extend minimal credits merely to keep the SMV in business.
- 25X1A (3) Comment: The beviets may have difficulty finding purchasers for this equipment, since most of it has specifically designed for the oil industry and is not readily adaptable to other industrial uses.
- 25X1A (4) Comment. The USRA firm in charge of collecting this scrap is probably Eisen- und Stahl A.G.
- 25X1A (5) Comment: The Austrian Fodoral Railmays are anxious to have these railroad cars released and are putting pressure on the Soviets to unload this pipe as soon as possible. In view of Sidoranko 's present economy program, however, it seems likely that the SMV will return this pipe to the manufacturer.
- 25X1A (6) Comment: It is believed that the R.A.G. and Van Sickle Oil Company are not affected by this codes.
- 25X1A (7) Comment: Following and echimated number of inactive vells:

 TTAG,49; DEA I and II, 100; E.P.G., 25. There are no inactive wells at
 Matzen of Muchlberg.
- 25X1A(8) Comment: It is rumored that NTAG, DEF I and II, and Maustrenk have several wells which yield less than one ton of oil per 24 hours.

COMMITTING